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New York Sells $144.6 Million of Municipal Bonds on Behalf of Pace University.

The Dormitory Authority of the State of New York sold $144.6 million of tax exempt revenue bonds on behalf of Pace University to refund existing debt.

The sale includes $84.6 million of Series 2024B municipal bonds with maturities ranging from 2025 through 2042, according to an official statement posted Tuesday on MuniOS. Bonds due in 2034 have an interest rate of 5%, yield 3.54% and priced at 111.864.

The $60 million of Series 2024C bonds are variable rate securities. The interest rate payable to investors who hold the debt will be set on a weekly basis. The bonds can be redeemed starting in 2037 and reach final maturity in 2044. Pace has the option to convert the bonds to bear interest at a daily, commercial paper, term or fixed rates, among others.

The first floating rate determination date is scheduled for Sept. 5.

Proceeds will be used to refund bonds sold on Pace's behalf in 2013 and 2014 by the authority and the Westchester County Local Development Corp.

Pace had operating revenue of $434.8 million in fiscal year 2023, according to the school's website.

Founded in 1906 as a school for accounting, Pace had total enrollment of 14,092 undergraduate and graduate students for the 2023-24 academic year, and operates three campuses in New York City and Westchester County. The school had about $306.7 million of debt outstanding as of July 30.

The bonds are rated BBB- by S&P Global Ratings and Baa3 by Moody's Investors Service.

BofA Securities was the underwriter.

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